



Mark G. Thessin
Vice President - Rates & Regulatory Affairs

RECEIVED
TENN. REG. AUTH.
DEC 27 PM 4 08
EXECUTIVE SECRETARY

December 27, 1999

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Dear Mr. Waddell:

99-00990

Enclosed please find the original and thirteen copies of Atmos Energy Corporation's application for Approval of Universal Shelf Registration. I have also enclosed the filing fee of \$25.00.

If you should have any questions concerning this application, please feel free to contact me at 615-771-8330.

Sincerely,

Mark G. Thessin

Cc: Consumer Advocate Division
Doug Walther

paid \$25.00
ack# 6201

STATE OF TENNESSEE
TENNESSEE REGULATORY AUTHORITY

REC'D TN
REGULATORY AUTH.
DEC 27 PM 4 08
EXHIBIT SECRETARY

In the matter of the application
ATMOS ENERGY CORPORATION
for an order approving the implementation
of a universal shelf registration for debt and
equity financing.

§
§
§
§
§

Docket No. 99-00990

**APPLICATION FOR APPROVAL
OF A
UNIVERSAL SHELF REGISTRATION**

To the Tennessee Regulatory Authority:

Pursuant to the Rules of Practice and Procedure of the Tennessee Regulatory Authority (1220-1-1-.05) Atmos Energy Corporation ("Petitioner" or "Atmos"), respectfully requests approval for the issuance of its five hundred million dollars (\$500,000,000) universal shelf registration for debt and equity financing to be utilized by Petitioner over the next two years.

Atmos respectfully states the following:

1. Petitioner is a corporation duly organized and existing under and by virtue of the laws of the State of Texas and the Commonwealth of Virginia, with its principal office located at 1800 Three Lincoln Centre, 5430 LBJ Freeway, Dallas, Texas 75240. Atmos is a natural gas distribution company providing gas distribution, transmission and transportation service to its retail customers in Tennessee, Colorado, Texas, Louisiana, Kentucky, Missouri, Kansas, Georgia, Iowa, Illinois, Virginia and South Carolina. Atmos is a public utility within the meaning of the Tennessee Regulatory Authority and conducts business

in Tennessee through its division United Cities Gas Company. It is engaged in the business of distributing and selling natural gas in Bristol, Columbia, Elizabethton, Franklin, Greeneville, Johnson City, Kingsport, Maryville, Morristown, Murfreesboro, Shelbyville and Union City Tennessee and their environs.

2. Atmos has filed a Registration Statement with the Securities and Exchange Commission for its \$500,000,000 universal shelf registration for debt securities and common stock. A universal shelf registration would allow Atmos to offer, from time to time, debt securities and shares of its common stock, without par value, at prices and terms to be determined at the time of sale. The debt securities and common stock may be issued in one or more series of issuances. Atmos may sell the securities or go through underwriters, dealers or agents, or directly to one or more purchasers.
3. The Company cannot currently state how the \$500,000,000 will be divided between equity and debt financing. The Company's goal is to decrease the debt to capitalization ratio to nearer its target range of 50-52% over the next two years. Atmos does not plan to implement the universal shelf registration in a manner that would materially change such target range. However, Atmos believes that it is important to maintain the flexibility necessary to allow it to utilize the most favorable financing option available at a particular time.
4. On November 10, 1999, the Board of Directors approved the implementation of the \$500,000,000 universal shelf registration to allow the Company more flexibility in its financing options. The net proceeds may be used for one or more of the following purposes: for the repayment of all or a portion of the Company's outstanding short-term debt; for the purchase, acquisition and/or construction of additional properties and

facilities, as well as improvements to the Company's existing utility plant; for the refunding of higher coupon long-term debt as market conditions permit; and for general corporate purposes.

5. Atmos respectfully requests expedited approval of the universal shelf registration from the Tennessee Regulatory Authority. The universal shelf registration will allow Atmos the flexibility to expeditiously respond to favorable market conditions. Previously, the Company was unable to take advantage of favorable financing conditions due to the lag time associated with regulatory proceedings. Commission approval of the universal shelf registration will allow Atmos to act quickly and decisively in financing capital each time a favorable market opportunity arises.
6. Atmos shall pay all costs and expenses of implementing and administering the issuance of the debt.
7. Attached hereto and made part hereof are the following exhibits:

Exhibit A	Statement of Financial Condition
Exhibit B	Balance Sheet
Exhibit C	Pro Forma Income Statement
Exhibit D	Pro Forma Balance Sheet
Exhibit E	Actual & Pro Forma Capitalization Ratio
Exhibit F	Board of Directors' Resolution

WHEREFORE, Petitioner prays that the Authority will enter an appropriate order:

- A. Approving the \$500,000,000 universal shelf registration for debt and equity financing of Petitioner for two (2) years from issuance of a final order.
- B. Granting Petitioner such other, further and different relief in this proceeding that the Authority may deem appropriate.

ATMOS ENERGY CORPORATION

By Mark A. Thesman
Attorney

Dated: December 27, 1999

VERIFICATION

STATE OF TENNESSEE

§

§

ss.

§

COUNTY OF WILLIAMSON

Mark G. Thessin, being first duly sworn, on his oath and in his capacity as Vice President, Rates and Regulatory Affairs of United Cities Gas Company, a division of Atmos Energy Corporation, states that he is authorized to execute on behalf of Atmos Energy Corporation, this Application, and has knowledge of the matters stated in this Application, and that said matters are true and correct to the best of his knowledge and belief.

Mark G. Thessin

Mark G. Thessin

Vice President, Rates and Regulatory Affairs
United Cities Gas Company

Subscribed and sworn to before me this 27th date of November, 1999.

Louis Carrier

Notary Public

My Commission Expires

July 24, 2003

Unaudited
ATMOS ENERGY CORPORATION
 Exhibit A, Page 1
 Statement of Financial Condition as of June 30, 1999
 Capital Stock

<u>Description</u>	<u>Number of Shares Authorized</u>	<u>Par Value</u>	<u>Total Par Value Authorized</u>	<u>Total Par Value Outstanding</u>	<u>Dividends Paid Twelve Months Ending 06/30/1999</u>
Common Stock	100,000,000	No Par	-	-	\$ 33,350,752
Outstanding	<u>Shares</u> 31,039,292	<u>Stated Value</u> \$ 0.005		<u>Value Outstanding</u> \$ 155,196	

Details of Dividends Paid During Past Five Years

<u>Twelve Months Ending</u>	<u>Common Stock</u>
September 30, 1994	\$ 23,201,000
September 30, 1995	\$ 26,197,000
September 30, 1996	\$ 28,478,000
September 30, 1997	\$ 26,415,000
September 30, 1998	\$ 31,834,000
June 30, 1999	\$ 33,350,752

Unaudited
ATMOS ENERGY CORPORATION
 Exhibit A, Page 2
 Statement of Financial Condition as of June 30, 1999
 Long-Term Debt

Title of Issue	Date of Issue	Date of Maturity	Amount Authorized	Amount Outstanding	Interest 12 Months Ended 06/30/1999
Unsecured 7.95% Sr. Notes payable in annual installments of \$1,000,000	08/31/92	08/31/06	10,000,000	8,000,000	656,195
Unsecured 9.57% Sr. Notes payable in annual installments of \$2,000,000	09/30/91	09/30/06	20,000,000	16,000,000	1,594,244
Unsecured 9.76% Sr. Notes payable in annual installments of \$3,000,000	10/11/89	12/30/04	30,000,000	18,000,000	1,915,254
Unsecured 11.2% Sr. Notes payable in annual installments of \$2,000,000	12/23/87	12/30/02	20,000,000	8,000,000	1,016,225
Unsecured 10% Notes due December 31, 2011	12/31/91	12/31/11	2,303,308	2,303,308	230,327
Unsecured 6.09% Note due November 25, 1998	11/26/96	11/25/98	40,000,000	-	1,035,300
Unsecured 8.07% Sr. Notes payable in annual installments of \$4,000,000 beginning 2002	11/14/94	10/31/06	20,000,000	20,000,000	1,630,689
Unsecured 8.26% Sr. Notes payable in annual installments of \$1,818,182 beginning 2004	11/14/94	10/31/14	20,000,000	20,000,000	1,664,793
Mortgage Bonds:					
Series J, 9.4%, due May 1, 2021	04/01/91	05/01/21	17,000,000	17,000,000	1,620,576
Series N, 8.69%, due 2002	03/01/87	03/01/02	20,000,000	1,000,000	218,533
Series P, 10.43%, due 2017	10/01/87	11/01/17	25,000,000	22,500,000	2,380,706
Series Q, 9.75%, due 2020	04/01/90	04/30/20	20,000,000	20,000,000	1,961,838
Series R, 11.32%, due 2004	12/01/89	05/10/04	15,000,000	10,720,000	1,518,009
Series T, 9.32%, due 2021	06/01/91	06/01/21	18,000,000	18,000,000	1,682,743
Series U, 8.77%, due 2022	05/01/92	05/01/22	20,000,000	20,000,000	1,768,785
Series V, 7.50%, due 2007	12/01/92	12/01/07	10,000,000	10,000,000	764,780
Series A, 1995-1, 6.67%, due 2025	12/15/95	12/15/25	10,000,000	10,000,000	674,786
Series A, 1995-2, 6.27%, due 2020	12/19/95	12/19/20	10,000,000	10,000,000	642,441
Series A, 1995-3, 6.20%, due 2000	12/19/95	12/19/00	2,000,000	2,000,000	133,042
Debentures 6.75%	07/15/98	7/15/28	150,000,000	150,000,000	9,513,485
Total Long-Term Debt				383,523,308	
Current Portion				15,640,000	
Net Long-Term Debt				<u>\$ 367,883,308</u>	
Total interest					<u>32,622,751</u>

Unaudited
ATMOS ENERGY CORPORATION
Exhibit A, Page 3
Statement of Financial Condition as of June 30, 1999
Notes Payable to Banks

	As of June 30, 1999 Amount <u>Outstanding</u>
Notes Payable	
Amarillo National Bank	\$ 11,100,000
Nations Bank	9,300,000
Merrill Lynch	19,921,567
First Chicago	69,906,900
Total Notes Payable	<u>\$ 110,228,467</u>

There was a \$110,228,467 outstanding balance at June 30, 1999 under Atmos Energy's Lines of Credit totaling \$332,000,000.

ATMOS ENERGY CORPORATION

Exhibit B, Page 1

Balance Sheet as of June 30, 1999

(Unaudited)

(000's)

ASSETS

Property, plant and equipment	\$ 1,444,563
Accumulated depreciation and amortization	543,616
Net property, plant and equipment	<u>900,947</u>
Investments in & advances to subsidiaries	16,157
Current assets:	
Cash and cash equivalents	5,078
Accounts receivable, net	51,618
Inventories	13,009
Gas stored underground	14,191
Prepayments	2,826
Other current assets	0
Intercompany, net	(10,043)
Total current assets	<u>76,679</u>
Deferred charges and other assets	104,806
Total Assets	<u><u>\$ 1,098,589</u></u>

ATMOS ENERGY CORPORATION

Exhibit B, Page 2

Balance Sheet as of June 30, 1999

(Unaudited)

(000's)

LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity	
Common stock	\$ 155
Treasury stock	(90)
Additional paid-in capital	288,392
Retained earnings	71,357
Total shareholders' equity	<u>359,814</u>
Long-term debt	367,883
Total capitalization	<u>727,697</u>
Current liabilities:	
Current maturities of long-term debt	15,640
Notes payable	110,228
Accounts payable	45,741
Taxes payable	4,074
Customers' deposits	10,230
Other current liabilities	29,951
Intercompany accounts	0
Total current liabilities	<u>215,864</u>
Deferred income taxes	80,870
Deferred credits and other liabilities	74,158
Total liabilities & shareholders' equity	<u>\$ 1,098,589</u>

ATMOS ENERGY CORPORATION
Exhibit C
Unaudited Pro Forma Income Statement
Twelve Months Ended June 30, 1999
(000's)

	<u>Atmos Unconsolidated</u>	<u>Pro forma adjustments</u>	<u>Pro forma</u>
Operating revenues	\$ 622,244		
Purchased gas cost	<u>340,119</u>	\$ 44,896 (2e)	\$ 667,140
Gross profit	282,125	<u>44,896</u>	<u>340,119</u>
Operating expenses:			327,021
Operation and maintenance	134,873		134,873
Litigation settlement	3,250		3,250
Depreciation and amortization	48,603		48,603
Taxes, other than income	26,983		26,983
Income taxes	<u>11,914</u>	<u>16,297 (2e)</u>	<u>28,211</u>
Total operating expenses	225,623	16,297	241,920
Operating income	<u>\$ 56,502</u>	<u>\$ 28,599</u>	<u>\$ 85,101</u>
Other income	1,548		1,548
Interest charges	<u>34,350</u>	<u>2,886 (2e)</u>	<u>37,236</u>
Net income	<u>\$ 23,700</u>	<u>\$ 25,713</u>	<u>\$ 49,413</u>
Net income per share	<u>\$ 0.78</u>		<u>\$ 1.15</u>
Cash dividends per share	<u>\$ 1.10</u>		<u>\$ 0.77</u>
Average shares outstanding	<u>30,369</u>	<u>12,700</u>	<u>43,069</u>

ATMOS ENERGY CORPORATION
Exhibit D
Unaudited Pro Forma Balance Sheet
As of June 30, 1999
(000's)

ASSETS:	Atmos (In thousands, except per share)	Pro forma Adjustments	Pro forma
Net property, plant and equipment	\$ 900,947	\$ 374,132 (2c)	\$ 1,275,079
Investments in & advances to subsidiaries	16,157		16,157
Current assets:	76,679		76,679
Deferred charges and other assets	104,806		104,806
Total Assets	<u>\$ 1,098,589</u>	<u>\$ 374,132</u>	<u>\$ 1,472,721</u>
LIABILITIES AND SHAREHOLDERS' EQUITY:			
Capitalization:			
Common stock	\$ 155	\$ 64 (2a)	\$ 219
Treasury Stock	\$ (90)		\$ (90)
Additional paid-in capital	288,392	317,436 (2b)	605,828
Retained earnings	71,357		71,357
Long-term debt	383,523	166,860 (1)	550,383
Short-Term Debt	110,228	(110,228) (2c)	0
Total capitalization	<u>\$ 853,565</u>	<u>\$ 374,132</u>	<u>\$ 1,227,697</u>
Current liabilities:	89,996		89,996
Deferred income taxes	80,870		80,870
Deferred credits and other liabilities	74,158		74,158
Total liabilities & shareholders' equity	<u>\$ 1,098,589</u>	<u>\$ 374,132</u>	<u>\$ 1,472,721</u>

ATMOS ENERGY CORPORATION
NOTES TO PRO FORMA CONDENSED FINANCIAL STATEMENTS
(Unaudited)

1. Stock and Debt Issuance

The Applicant desires to be authorized to issue up to \$500,000,000 in stock, no par value, and long-term debt, from time to time under a shelf offering.

2. Pro forma adjustments

The pro forma adjustments in the accompanying unaudited pro forma condensed financial statements are listed below.

- (a) To adjust common stock to reflect the shares of Atmos Stock (stated value of \$.005) issued.
- (b) To adjust paid-in capital to reflect the shares of Atmos Stock issued (Assume a stock price of \$25.00).
- (c) This adjustment assumes that all of the market value of the debt and equity will be first applied to pay off short term debt and the remainder will be applied to acquire and construct new plant facilities.
- (d) Cash dividends per share are calculated by taking the actual total dividends paid by Atmos and dividing by the total of the weighted average shares outstanding plus the equity shares to be issued. The pro forma cash dividends per share do not purport to represent the dividend rate for any future date or period.
- (e) The pro forma income statement reflects a 12% return on the newly constructed and acquired plant assets and an 8% interest rate on the issue of new debt and the debt retired. There is also an offset to income taxes at 36.3% due to the additional deductible expense.

Net income per share is computed by dividing pro forma net income by pro forma average shares outstanding. The pro forma financial statements do not purport to represent the net income per share that would have occurred had such transactions been consummated on the dates indicated or for any future period.

ATMOS ENERGY CORPORATION
Exhibit E
Statement of Actual and Pro Forma Capitalization Ratios
(Unaudited)
(000's)

	Actual		Pro Forma	
	June 30, 1999			
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Common stock	\$ 155	0.0%	\$ 219	0.0%
Treasury stock	(90)	0.0%	(90)	0.0%
Additional paid-in capital	288,392	33.8%	605,828	49.3%
Retained earnings	71,357	8.4%	71,357	5.8%
Total shareholders' equity	<u>\$ 359,814</u>	<u>42.2%</u>	<u>\$ 677,314</u>	<u>55.2%</u>
Long-term debt (including current maturities)	383,523	44.9%	550,383	44.8%
Short-term debt	110,228	12.9%	0	0.0%
Total debt	<u>\$ 493,751</u>	<u>57.8%</u>	<u>\$ 550,383</u>	<u>44.8%</u>
 TOTAL CAPITALIZATION	 <u><u>\$ 853,565</u></u>	 <u><u>100.0%</u></u>	 <u><u>\$ 1,227,697</u></u>	 <u><u>100.0%</u></u>

ATMOS ENERGY CORPORATION

SECRETARY'S CERTIFICATE

The undersigned, being the Assistant Corporate Secretary of Atmos Energy Corporation, a Texas and Virginia corporation (the "Company"), does hereby certify that the following resolutions were duly adopted by the Board of Directors of the Company at a meeting of the Board held on November 10, 1999, and such resolutions have not been altered, amended, rescinded, or repealed and are now in full force and effect:

WHEREAS, the Board of Directors of the Company considers it desirable and in the best interests of the Company and its shareholders that the Company be authorized and empowered to enter into a program for the issuance by the Company of up to \$500,000,000 in debt and/or equity securities, the form of which is to be designated by the Executive Committee of the Board of Directors at the time of sale.

NOW, THEREFORE BE IT RESOLVED, that the President, any Vice President, Treasurer, and Directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, with respect to the foregoing offering, to negotiate the terms of and enter into any underwriting agreements as deemed necessary, any form of indenture with a third party financial institution as Trustee and Paying Agent and any other agreement with a third party as may be necessary, appropriate, or desirable to cause the issuance and sale, from time to time over the next 24 months, of up to a total of \$500,000,000 in debt and/or equity securities of the Company, including common stock, warrants, secured debt, unsecured debt, senior debt, senior subordinated debt and/or subordinated debt; and

FURTHER RESOLVED, that when any of such required agreements are executed and delivered, they shall be a valid and binding agreement of the Company; and

FURTHER RESOLVED, that, the President, any Vice President, Treasurer, and Directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare, or cause to be prepared, and to execute, verify, and file, or cause to be filed, with the Securities and Exchange Commission (the "Commission"), a registration statement (the "1933 Act Registration

Statement") on Form S-3, including a base prospectus (the "Prospectus"), pursuant to the Securities Act of 1933, as amended, together with any and all exhibits and documents or supplemental information relating thereto, including a prospectus supplement (the "Prospectus Supplement"), in connection with the proposed issuance and sale from time to time by the Company of any portion of the debt and/or equity securities in the form of security to be designated by the Executive Committee and that the form of such 1933 Act Registration Statement shall be as approved by the officers and directors of the Company executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof, and that any actions heretofore taken in connection therewith be, and they hereby are, ratified, approved, and confirmed in all respects; and

FURTHER RESOLVED, that the President, any Vice President, Treasurer, and Directors of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to prepare, or cause to be filed, with the Commission such amendments (including, without limitation, post-effective amendments) and supplements to the 1933 Act Registration Statement and Prospectus Supplements and such other papers or documents in connection therewith as they may deem necessary, appropriate, or desirable, all in such form as may be approved by the proper officers and directors executing the same, the approval of such officers and directors to be conclusively evidenced by their execution thereof; and

FURTHER RESOLVED, that each of the President, any Vice President, Treasurer, and Director of the Company who may execute the 1933 Act Registration Statement or any amendment or supplement thereto, be and hereby is, authorized to execute a power of attorney appointing Robert W. Best as his true and lawful attorney for him and in his name and stead and in his capacity as an officer or director to sign such 1933 Act Registration Statement, any and all amendments and supplements thereto, and all instruments, papers, or documents in connection therewith, and to file the same with the Commission, with full power and authority granted to said attorney to do and perform in the name and on behalf of each of said officers or directors each and every act whatsoever necessary or appropriate in connection with the registration of the debt and/or equity securities to the same extent that such officer or director might or could do in person; and

FURTHER RESOLVED, that the net proceeds to the Company from the issuance and sale of the debt and/or equity securities that are to be issued and sold from time to time shall be used by the Company in the

manner set forth in the Prospectus and Prospectus Supplement forming a part of the 1933 Act Registration Statement; and

FURTHER RESOLVED, that the Board of Directors of the Company further considers it desirable and in the best interests of the Company that the debt and /or equity securities be qualified or registered for sale in various states; that the President or any Vice President and the Corporate Secretary or any Assistant Corporate Secretary, be and hereby are, authorized to determine the states in which appropriate action shall be taken to qualify or register for sale all or such part of the debt and/or equity securities as said officers may deem advisable; that said officers be, and hereby are, authorized to perform on behalf of the Company or cause to be performed any and all such acts as they may deem necessary or advisable in order to comply with the applicable laws of any such states and in connection therewith to execute and file, or cause to be filed, all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents, and appointments of attorney for service of process, and to take any and all further action that they may deem necessary or advisable in order to maintain any such registration or qualification for so long as they deem necessary or as required by law; and that the execution by such officers of any such paper or document or the doing by them of any act in connection with the foregoing matters shall conclusively establish their authority therefor from the Company and the approval and ratification by the Company of the papers and documents as executed in the action so taken; and

FURTHER RESOLVED, the form and substance of any resolutions required in connection with the registration or qualification of the debt and/or equity securities in any state, territory, or other jurisdiction be, and they hereby are, adopted, provided that the officers of the Company, or any of them, consider the adoption of such resolutions necessary or appropriate or desirable, in which case the Corporate Secretary or any Assistant Corporate Secretary of the Company is hereby directed to insert as an appendix to these Minutes a copy of such resolutions, which shall thereupon be deemed to have been adopted by the Board of Directors with the same force and effect as the other resolutions herein set forth; and

FURTHER RESOLVED, that Robert W. Best, as Chairman, CEO and President of the Company, be, and hereby is, designated as the Company's agent to receive any letters of comment to the 1933 Act Registration Statement; and


FURTHER RESOLVED, that the President, any Vice President, or the Treasurer of the Company, or any of them, be, and they hereby are, authorized and directed, for and on behalf of the Company, to notify the New York Stock Exchange (the "NYSE") of the foregoing offering and to take or cause to be taken any and all such actions as may be necessary, appropriate, or desirable to comply with the requirements of such organization; and

FURTHER RESOLVED, that the President, any Vice President, or the Treasurer of the Company be, and each hereby is, authorized and directed to take, or cause to be taken, all actions necessary or advisable to effect the listing and trading of the debt and/or equity securities on the NYSE, including the preparation, execution, and filing of all necessary applications, documents, forms, and agreements with the NYSE and the Commission, the payment by the Company of filing, listing, or application fees, the preparation of certificates for the debt and/or equity securities, and the appearance of any such officer before NYSE officials; and

FURTHER RESOLVED, that the President, any Vice President, Treasurer, and Directors, or any of them, be, and they hereby are, authorized to do or cause to be done any and all acts and things and to execute and deliver any and all agreements, undertakings, consents, documents, instruments, and certificates as, in their opinion, may be necessary or appropriate or desirable in order to carry out the purposes and intent of the foregoing resolutions and to perform, or cause to be performed, the 1933 Act Registration Statement, or any other agreement referred to herein and to cause the debt and/or equity securities to become listed and admitted to trading on the NYSE; and

FURTHER RESOLVED, that all actions taken and expenses incurred by any officer or director heretofore in furtherance of any of the actions authorized by the foregoing resolutions hereby are expressly ratified, confirmed, and approved.

IN WITNESS WHEREOF, I have hereunto signed my name and affixed the seal of the Company this 21st day of December, 1999.


Shirley A. Morgan
Assistant Corporate Secretary